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KYRGYZ REPUBLIC TRANSITION INITIATIVE

ANNUAL PERFORMANCE REPORT
OCTOBER 1, 2010 – SEPTEMBER 30, 2011



October 10, 2011

This report was produced for review by the United States Agency for International Development (USAID). It was prepared by International Resources Group (IRG).

COVER PHOTO: USAID's Office of Transition Initiatives (OTI) supported the Aga Khan Foundation to promote tolerance and diversity in the south. This activity developed multi-language books for children, conducted art competitions among school students and rehabilitated 9 kindergartens in Osh oblast.

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

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I. PROGRAM DESCRIPTION

In May 2010, USAID's Office of Transition Initiatives (OTI) launched a program in the Kyrgyz Republic in response to the country's political crisis. Popular demonstrations in April had led to the ouster of former President Kurmanbek Bakiyev and the creation of a "Provisional Government" comprised of an ad-hoc coalition of opposition political parties led by former foreign minister and parliamentarian Roza Otunbayeva. In June 2010, ethnic violence and mass displacements in the southern part of the country highlighted the need for immediate and targeted assistance to address emerging sources of instability and conflict.

Given this window of opportunity, the U.S. Government was able to further demonstrate its support of democracy in the Kyrgyz Republic by assisting efforts aimed at promoting transparent, accountable and effective governance at both the national and local levels. Over the first 17 months of the program (May 2010 – October 2011), OTI's fast and flexible mechanism has proven effective in mitigating the potential for conflict in volatile communities and bringing about positive change in governance. Through community mobilization, leveraging of public and private resources and building critical partnerships, OTI has responded to ongoing and emerging needs during this period of transition in the Kyrgyz Republic.

With presidential elections scheduled to occur in October 2011, the current period offers a critical chance to help the people of the Kyrgyz Republic consolidate democratic governance and ensure social and political stability for the future.

2. ACTIVITIES

COUNTRY OBJECTIVES

The USAID/OTI program in the Kyrgyz Republic is supporting the country's efforts to establish a more stable and secure democracy. It provides small grants to civil society, government, and private sector partners to implement high-impact, short-term projects in volatile communities. This targeted assistance supports an ongoing democratic political transition, while addressing emerging sources of instability and drivers of conflict at national and community levels. USAID/OTI's model is designed to be fast, flexible and responsive to a dynamic and changing environment. It allows partners to implement pilot initiatives and catalytic projects to help build momentum for continued long-term development. Activities are generated to encourage democratic processes and build trust both within communities and between citizens and government during the critical period of transition. Activities also serve to leverage other donor efforts, both existing and planned.

Specific program objectives include 1) Mitigate conflict and 2) Improve governance.

MITIGATE CONFLICT

OTI supports conflict mitigation between groups by responding to ongoing and emerging sources of instability and tensions within communities. OTI engages marginalized and volatile communities that are prone to conflict. A small grants mechanism supports a variety of activities, including supporting small-scale community-driven infrastructure rehabilitation and increasing short-term income and employment opportunities. OTI also supports media initiatives that increase access to reliable information and activities that expand community dialogue to enhance respect for pluralism and tolerance.

IMPROVE GOVERNANCE

OTI supports inclusive, responsive and transparent governance at national and local levels, while increasing the ability of citizens and communities to engage constructively in democratic processes. OTI makes available technical assistance and equipment to help restore critical government functions and services vital to community peace and stability. Supporting these public services helps restore trust between government and constituents. OTI also supports strategic communication efforts and media initiatives that improve citizen access to public information in order to facilitate informed decision-making.

3. COUNTRY SITUATION

A YEAR IN RETROSPECT

During the past 12 months of operations in the Kyrgyz Republic, OTI worked in an environment of political turbulence, generalized fears and threats of violence, all of which were rooted in events of April and June 2010. The OTI program was launched in May 2010, in the aftermath of civil disturbances in the capital, Bishkek, which led to the ouster of President Kurmanbek Bakiev. An ad hoc coalition of opposition leaders assumed power, led by former Foreign Affairs Minister Roza Otunbaeva. The Kyrgyz Provisional Government (KPG) instituted a number of amendments to the constitution, transforming the governance structures from a presidential system to a parliamentary system.

Just two weeks before a constitutional referendum on June 27, 2010, an inter-ethnic conflict erupted in the south, leaving thousands displaced, dead or missing and causing massive damage to administrative and community infrastructure. In the run-up to parliamentary elections in October 2010, OTI geared its activities towards government and civil society efforts to increase citizen participation in decision-making processes, mitigate conflict at the national and local levels, and restore critical government functions.

The parliamentary elections went calmly on October 10, 2010, legitimizing the constitution and Roza Otunbaeva as the Provisional President until the end of 2011. However, many were surprised when the Ata Jurt party, associated with the Bakiev's regime, was selected on the greatest number of the ballots. Among the political parties represented in the new parliament were the Ata Jurt party (28 seats), Social Democratic party (SDPK) (26 seats), Ar Namys party (25 seats), Respublika party (23 seats) and Ata Meken party (18 seats). It took several weeks for a ruling coalition to coalesce, eventually including Respublika, SDPK and Ata Jurt. In December, President Otunbaeva approved parliamentary nominations for government and minister positions, and the KPG resigned to make way for the new coalition government.

With the approach of the anniversary of the April 2010 events, widespread anxiety arose in the Kyrgyz Republic about the potential for uprisings and violence. An internet-based survey, conducted in March by 24.kg Information Agency, revealed that more than 75% of 538 respondents expected mass riots in the spring. 23% expected another "people's revolution" to take place if the government failed to take action, and nearly 21% predicted that power would soon change hands again. 30% of respondents thought that paid participants would be involved in committing upcoming violence. While broad-based uprisings did not materialize and only small pockets of violence surfaced in the spring and summer of 2011, these figures reveal the degree to which anxiety has come to characterize the prevailing mood in the country.

Also in the spring, controversy surrounded First Vice Prime Minister and Respublika party leader Omurbek Babanov over accusations of corruption and abuse of power. On April 14, Babanov agreed to a temporary resignation from office for one month in connection with the formation of a parliamentary commission to study the validity of the accusations. In late May, Babanov returned to office when the accusations were unsubstantiated.

This summer, further controversy swirled over the processes used to select judges for the Supreme Court and the Constitutional Court. The need for judicial reform has begun to register as an issue in the presidential campaign¹. Lack of transparency in the nomination of judicial candidates fed a wave of discontent among civil activists. Baiguttiev Seitbek, a member of the civil council responsible for monitoring the court system, proclaimed on August 1 that the work of the Judges Screening Committee was “just a show” which would not lead to any significant changes in the system itself. The Judges Screening Committee is comprised of 24 independent judges nominated by the Judges Council, civil society representatives and Parliament.

Several of the presidential candidates also questioned the requirements for formal entry in the race. At a press conference on August 23, several candidates criticized the Central Election Commission (CEC) for requiring 30,000 signatures, calling this an “artificial obstacle created to discriminate against the ordinary people”. They also claimed the electoral deposit of KGS 100,000 (approximately USD 2,200 at current exchange rates) was aimed to constrain lower-income candidates.

As of September 30, there are 25 remaining candidates (down from a high of 83 candidates in mid-August) scheduled to participate in the October 30 election. They have all passed the Kyrgyz language test and submitted all relevant documents to CEC in a timely and adequate manner. Electoral analysts expect the October 30 election to lead to a run-off before the end of this year.

According to the CEC, accreditation of international election observers will start on September 30.

INTERNAL SECURITY

On the heels of intense periods of instability in the spring and summer of 2010, the security situation in the Kyrgyz Republic over past twelve months has been marked by a long-standing sense of tension among the general populace, stoked by rumors and speculation. OTI received valuable input through security advisory services provided by Pax Mondial while also adhering to US Embassy and USAID security policies and guidelines. OTI has resided in an office building just south of the central business/government district in Bishkek since mid-June 2010. This allowed OTI to establish an appropriate level of security by hiring a local security provider for around-the-clock guard services.

Throughout the fall of 2010, the air was filled with rumors and fear of potential riots and violence. The planned deployment of a Police Advisory Group from the Organization for Security and Cooperation in Europe (OSCE) raised a wave of strong opposition, on the grounds that the international security force would interfere with Kyrgyz domestic affairs, which would in turn escalate the conflict and reinforce separatist movements in the south. U.S. President Barack Obama urged President Otunbaeva to approve the deployment of the OSCE police officers in order to prevent renewed violence. Bowing to domestic pressure, Otunbaeva postponed a decision on mobilizing the security forces and ultimately they were not mobilized.

In late March 2011, 28 parliamentarians appealed to the court to release Urmat Baryktabasov from custody, due to medical conditions. In early April, the public prosecutor demanded an 18-year prison sentence for Baryktabasov, which in turn set off another round of demonstrations by his

¹ <http://www.24.kg/politic/107496-kyrgyzstan-bitva-za-vlast-prodolzhaetsyahellip.html>

supporters in front of Kyrgyzstan's White House. On April 27, Pervomay rayon court of Bishkek reduced his sentence to four years for the unlawful acquisition, transfer, and distribution of weapons and ammunition; Baryktabasov is appealing this decision.

During the last quarter of 2010 the security situation was challenged by terrorist threats: according to the State National Security Service of Kyrgyzstan, 33 terrorist attempts were detected in Bishkek, Osh and Osh Oblast in the month of November alone. On November 29, Kyrgyz Special Forces raided a suspected extremist's house in Osh, accompanied by gunshots and explosions, leading to panic and anxiety. The following morning a small explosion near the Sports Palace in Bishkek took place, allegedly an act of political disruption to demonstrate that the threats were real and that security remained unstable. At the time, the Sports Palace was the venue for trials for people alleged to be involved in shooting demonstrators during the revolution. In December, security forces said that they found a grenade, ammunition, and extremist religious leaflets in Kara-Suu rayon of Osh Oblast.

OTI remained cognizant of the developing political situation and maintained a low-key operational profile where needed. Vigilance on all security-related issues became a standard element of OTI's operations, particularly in the south. In May, the EITR TV Company broadcast a video criticizing USAID's billboards in Osh, questioning the information displayed. The billboards were a part of the overall USAID information campaign capturing important milestones in USAID assistance to Kyrgyzstan. As a result, OTI made a decision to cancel an additional billboard campaign in Osh as part of an ongoing activity with Aga Khan.

In Osh, the security situation was volatile throughout much of the past year, and tensions between ethnic Uzbek and Kyrgyz populations endured. In late February and March, the country followed news surrounding the murder of the deputy head of the district tax department in Nookat, allegedly ordered by an ethnic Uzbek businessman who was hiding in Uzbekistan. This infuriated the ethnic Kyrgyz residents of Nookat, who demanded the capture of the suspect and burned down a house that belonged to him. At the same time, Uzbek community leaders expressed worry and concern to the Mayor of Osh about the safety and security of Uzbek citizens living in the south, reporting that in December several Uzbek females were kidnapped, beaten and raped.

As the anniversary of the 2010 crisis approached, public dissatisfaction with the current government and parliament increased along with perceptions that politicians' promises were not kept. According to Dinara Oshurahunova, head of the Coalition "For Democracy and Civil Society," communities in the south remain frustrated that the organizers of the June 2010 unrest have not been punished. A survey conducted by the coalition revealed a desire among the public that stricter measures be taken against those who display nationalism, particularly politicians and government officials.

The security situation in July-September 2011 was generally stable. The general sentiment, however, according to IRG's local security company, is that there has been a significant spike in crime. Income disparities between the rich and poor are progressively growing, which is certainly a contributing factor to the spread of criminal activity. Approximately 40% of people earn their living from agriculture, but this sector has been hard hit by the events in June 2010, in particular in the south. Farmers have been unable to sow crops, and the closure of borders with neighboring countries has also hindered the local economy. With disappearing economic opportunities, theft and crime are on the rise.

Another contributing factor is corruption, which is pervasive throughout the government bureaucracy and different levels of society. As a consequence, many people have lost faith in the government's ability to provide basic services, justice and security.

The influence of criminal networks helps to explain the rise of crime and corruption. The Kyrgyz Republic lies at the crossroads of important international drug trafficking routes. Criminal networks are partially based on older clan structures, which continue to play a role in relationships between people more broadly. These networks have a important hand in shaping the competition over increasingly scarce resources.

Another factor affecting security is the rise in grassroots-level support for religious extremism across the Fergana valley. Movements like the Islamist Jihad Union, the Islamic Movement of Uzbekistan and the Hizb ut-Tahir have been a cause of concern across the region for a number of years. Security officials have linked three recent events - an attack on a synagogue in September 2010, the bombing of a Bishkek sports arena in November 2010, and the murder of four law enforcement officers in January 2011 - to yet another group, presumably influenced by Salafi Islamic beliefs.

One of the largest factors presenting a potential risk to security is the upcoming presidential elections. They will take place roughly 18 months after the violent overthrow of the former President Bakiyev and the explosive events in Osh and Jalal Abad. Since that time, relations between Uzbek and Kyrgyz communities are not improving and have arguably deteriorated. What exactly happened, who is at fault and who should be held responsible remains a matter of contention. The reconstruction of houses in Jalal Abad and Osh has become seriously contested. The international community has also been caught up in this contestation amongst claims that Uzbek victims have been given the majority of humanitarian assistance.

According to a recent report by the UNDP, the following factors pose the greatest potential risk to security during the pre-and post-election period in Kyrgyzstan:

1. General violations of electoral process
2. Challenges in implementing new electoral rules
3. North-south divisions
4. Winner-takes-all nature of the election
5. Abuse or manipulation by political forces of vulnerable groups
6. Increase in nationalist rhetoric
7. Manipulation of inter-ethnic issues
8. Weak law and order
9. Criminal networks
10. Potential lack of objective and independent media coverage

The risks of electoral violence are high since the underlying issues remain unaddressed. Even if the presidential elections progress relatively peacefully, the OTI program will continue to develop small grant activities that work to address the aforementioned drivers of conflict.

UPCOMING EVENTS

The following events will potentially influence OTI programming in the coming fiscal year (October 2011 – September 2012):

- Rolling assessment scheduled for October 6 – 7, 2011.
- Strategy Review Session to be scheduled for late January 2011.
- Increased funding action and budget realignment.
- Winter programming strategies that maintain high level commitment rates.
- Staffing changes.
- Presidential elections are scheduled to take place on October 30, 2011, with significant implications for the political situation in the country as well as OTT's programming. A run-off election is very likely to occur later in the year (dates are still to be determined).
- Kyrgyzstan's entrance into a customs union with Russia, Kazakhstan and Belarus has the potential to influence OTT's programming. OTT's fast and flexible mechanism may be of use to the government and civil society players in mitigating the potential for protest arising from the terms and conditions of the customs union.
- OTT's launch of the Mobile Accord application will create new dimensions to OTT's programming in Kyrgyzstan. The Mobile Accord tools will provide a suite of functions to the public via mobile phones. Mobile users can easily create Short Message Service (SMS, i.e. text messaging) communication groups, giving new channels of outreach to any program or civil society group. Functions to carry out mobile-based polling and funds transfers will also give new capacities to programs that attempt to reach out across citizenry and increase the spread of information and the collection of public feedback.

4. GRANTS SUMMARY

Between May 7, 2010 and September 30, 2011, OTI, through its implementing partner International Resources Group (IRG), funded 157 small grants totaling \$10,118,033. The funding by sector breakdown is shown in the following table.

Grant components	Number of Cleared Grants (May 2010-Sept. 2010)	Number of Cleared Grants (Oct. 2010-Dec. 2010)	Number of Cleared Grants (Jan. 2011-March 2011)	Number of Cleared Grants (April 2011-June 2011)	Number of Cleared Grants (July 2011-Sept. 2011)	Number of Cleared Grants (total to date)
Mitigate Conflict	29	27	24	22	6	108
Improve Governance	14	8	4	12	11	49
Total grants	43	35	28	34	17	157

Grant components	Grant Amounts (May 2010-Sept. 2010)	Grant Amounts (Oct. 2010-Dec. 2010)	Grant Amounts (Jan. 2011-March 2011)	Grant Amounts (April 2011-June 2011)	Grant Amounts (July 2011-Sept. 2011)	Grant Amounts (total to date)
Mitigate Conflict	\$831,341	\$2,133,333	\$1,597,206	\$2,774,812	\$231,871	\$7,568,561
Improve Governance	\$605,982	\$377,448	\$300,434	\$804,011	\$461,597	\$2,549,472
Total grants	\$1,437,323	\$2,510,781	\$1,897,640	\$3,578,823	\$693,468	\$10,118,033

5. HIGHLIGHTS

During the past 12 months of operations in the Kyrgyz Republic, OTI reassessed and adjusted its program objectives and methodology a number of times to meet the developing political situation and the emerging needs of the host country. Throughout that period, OTI increased its visibility in the donor arena, leveraging more public and private partnerships among local and international organizations.

In the fall of 2010, the program launched a satellite office in Osh and elaborated a portfolio of activities oriented towards Southern Kyrgyzstan. OTI also concentrated on assisting the national government in restoring its critical functions. Sixteen grants totaling \$637,096 provided equipment and furniture to the government to help the President's Office and newly established agencies such as the Ministry of Youth and Offices of Reconstruction & Reconciliation in Osh, Bishkek and Jalalabad. The program also put a heavy focus on reconciliation and conflict mitigation efforts within multi-ethnic communities. OTI's activities served as a platform for ethnic Uzbek and Kyrgyz communities to interact constructively and overcome their fears and distrust.

The following activities from the past 12 months showcase some of the most successful examples of OTI's assistance in the Kyrgyz Republic.

MITIGATE CONFLICT

The events of April 2010 demonstrated how limited access to resources can shape popular behaviors and attitudes. Youth from marginalized communities around Bishkek were incited to participate in the mass destruction and looting in Bishkek. As OTI developed its programming, it focused on these youth and communities, working with an array of partners to bring about positive changes and build people's trust in democratic governance. Partnerships with the Peace Corps and the Hyatt Regency Bishkek have

helped local government entities and community leaders to discuss local issues of concern and identify priorities. As a result of such dialogue and community participation in decision making processes, OTI rehabilitated six schools and orphanages in Chuy and Issyk-Kol oblasts. These activities **(BIS096 through BIS100: total budget \$320,732; BIS114 and BIS144: total budget \$203,610)** addressed ongoing or potential sources of conflict in these communities and contributed to the local economy through hiring of labor and purchase of materials. In addition, BIS144 provided temporary employment opportunities to 150 unemployed youth from Krasnaya Rechka village by engaging them in pre-reconstruction activities in the orphanage.

From October 2010 to September 2011, OTI has conducted 13 community mobilization activities with cash-for-work components as a way to provide youth with tools and incentives to engage constructively in their communities. These activities provided temporary employment opportunities to nearly 4,200 people across the country who earned \$1,157,310 by helping to clean



This dilapidated wall conduit demonstrates the poor condition of the Krasnaya Rechka's primary school prior to rehabilitation by OTI.

up community spaces. In Osh, cash-for-work activities helped people reconstruct their environments while promoting tolerance and community cohesion. Through these activities, people of different ethnicities were able to come together for the first time after the violence and overcome distrust through joint work.

In July 2011, OTI presented a new series of multi-language children's books developed in partnership with the Aga Khan Foundation, the Ministry of Education of the Kyrgyz Republic, and the Osh and Jalalabad city administrations (**BIS107 "Supporting Communities in Infrastructure Repair and Building Tolerance"; \$239,605**). Through a series of dialogues and workshops with parents and teachers, the Aga Khan Foundation produced dual language children's books (Kyrgyz-Uzbek, Kyrgyz-Russian, Kyrgyz-Tajik, and Kyrgyz-English) aimed at promoting peace, tolerance, and respect for diversity. As part of the initiative, the Aga Khan School organized an art competition among students from 29 schools in Osh City on themes related to peace, harmony and friendship. The winning exhibits are being published together as a book. Copies of books will be distributed to schools and libraries across the country. Concurrently, this partnership also supported community infrastructure efforts to rehabilitate nine kindergartens in mixed neighborhoods of Osh, Nookat, Uzgen and Kara-Suu. These efforts aimed to create a more accessible and positive educational environment for children from multi-ethnic communities. Approximately 1,900 ethnic Uzbek and ethnic Kyrgyz children benefited from this activity.



Ethnic Uzbek and Kyrgyz men and women clean up Delfin Park in Osh in September 2010

The U.S. Government, through OTI, has partnered with the Russian Consulate and the State Directorate for Reconstruction and Development (SDRD) to rehabilitate the Youth Sports Center in Osh (**OSH039 "Building Community Cohesion Through Infrastructure Repair: Delfin Sports Complex"; \$127,285**). A memorandum of understanding between the three partners was signed to initiate the project. This unique partnership to refurbish one of Osh's largest sports facilities, known as Delfin, will

provide a safe environment for inter-ethnic youth to interact positively. In the aftermath of the civil disturbances in June 2010, the lack of resources for improving community facilities like Delfin has jeopardized unity among Osh's multi-

ethnic community. To address this, the three partners are each contributing funds to rehabilitate two sports gyms, locker rooms, showers, two tennis courts, and the administrative building.

IMPROVE GOVERNANCE

Activities with the national government provided critical support to the newly established Parliament of the Kyrgyz Republic. Through **BIS103 Restoring Critical Government Functions Equipment to Parliament Legal Department (\$43,989)** and **BIS104 Restoring Critical Government Functions Equipment to Parliament HR Department (\$10,277)**, OTI was able to demonstrate its continued support to the national government in restoring its functions and improving governance by providing essential equipment. Leveraging U.S. Government resources through the ongoing USAID Kyrgyzstan Parliamentary Strengthening Program (KPSP), these activities maximized the effect of overall USG assistance to Kyrgyzstan. In addition to refurbishing two rooms of the White House in 2010 and providing equipment to the Parliament worth nearly \$300,000 through OTI since May 2010, these activities provided a platform for the KPSP to further engage with the Parliament in designing activities which improve its operations, public

outreach and legislative oversight. These two well-functioning bodies of the Parliament are critical in contributing to the country's stability and peace.

More recently, OTI built important partnerships with local and international stakeholders through the Eurasia Foundation Central Asia (EFCA) and the Agency for Social Technologies (AST) to help improve local government practices and transparency in budgeting and spending. Leveraging equivalent funds from the World Bank and OTI totaling over \$400,000, EFCA (**BIS141 “Building Trust between Local Government and their Constituency”**) will train 1,266 local government officials and civil society representatives from 197 communities in transparent and inclusive budgeting. Additionally, it will hold transparent public budget hearings in 397 communities providing an opportunity for local government and civil society representatives to increase the inclusiveness of the local budgeting process. This activity exemplifies coordination of efforts between OTI and USAID's long-term projects, such as the Local Development Program (LDP) that will provide technical expertise and recommendations on training curriculum. At the same time, OTI has enabled AST (**BIS145 “Building Capacity of Public Advisory Boards”**) to train 25 Public Advisory Boards established by President Otunbaeva under national Ministries and State Agencies. PABs are to improve the engagement of state institutions with their constituencies, to increase the transparency of budgeting and spending, as well as to jointly address emerging priorities.



US Ambassador Gfoeller and Vice Speaker of the Parliament sign grant agreements on January 24, 2011.

Using a critical window of opportunity before the 2011 elections, OTI partnered with the Coalition for Democracy and Civil Society through activity **BIS154: Boosting electoral accountability through support to domestic election observers (\$63,359)** to support a robust domestic election observation effort that includes strengthened long-term observation and statistically based observations (SBO) in 500 locations during the campaign and election period. This activity will complement ongoing efforts by NDI, DFID, OSCE and a number of other donors by providing funds to cover communication costs of long- and short-term observers, honoraria for Coalition staff in Bishkek, their communication costs and the rental of the Central Data Center.

RENEWAL CAMPAIGN

Throughout the summer of 2011, OTI conducted a series of events with high ranking U.S. Government officials (including Ambassador Leora Spratlen) and Kyrgyz officials on the sub-national and local levels to commemorate successful partnerships. These activities were part of the Renewal campaign to encourage constructive and productive activities for youth, provide economic stimulus for at-risk communities, revitalize public spaces, and strengthen ties among the country's multicultural communities. Illustrative activities include the following:

- Opening eight fully rehabilitated community spaces in Osh, including this one with U.S. Ambassador Spratlen: <http://www.flickr.com/photos/krti/5803276648/>
- Opening the Kelechek Youth Center in Osh with Katie McDonald from USAID/Washington: <http://www.flickr.com/photos/krti/6123725230/>

- Opening Delfin Youth Sports Center in partnership with the Osh city government and the Russian government: <http://www.flickr.com/photos/krti/6152045549/in/photostream/>
- Opening eight tennis courts and a public soccer field near the Delfin Youth Sports Center: <http://www.flickr.com/photos/krti/6149476852/in/photostream>
- Completion of CFW activities which resulted in revitalized community spaces: <http://www.flickr.com/photos/krti/5807206191/>
- Launching multi-language children's books on tolerance in partnership with the Aga Khan Foundation: <http://www.flickr.com/photos/krti/5936010863/in/photostream/>
- Opening of the rehabilitated Ber Bulak school: <http://www.flickr.com/photos/krti/5954410178/in/photostream>
- Opening of the rehabilitated community road in Tendik new settlement (novostroika): <http://www.flickr.com/photos/krti/6173960599/in/photostream/>
- Conducting a month-long sports tournament in Naryn: <http://www.flickr.com/photos/krti/6102221230/in/photostream/>
- Completion of community-driven rehabilitation of the Youth Sports Center in Aravan: <http://www.flickr.com/photos/krti/6152095721/>
- Exhibition of art works by youth from Bishkek's vulnerable communities with Ambassador Spratlen: <http://www.flickr.com/photos/krti/6020232365/>
- Opening a Kelechek Orphanage in Kirg Shelk with Ambassador Spratlen: <http://www.flickr.com/photos/krti/6068527334/>

Each of these community facilities was handed over to the local government entities and communities for further maintenance and sustainability.

6. PROGRAM APPRAISAL

In the spring of 2011, OTI conducted a Management Review (MR) and a Peer Performance Review (PPR) to gauge the effectiveness of the program and seek recommendations on improvement. The MR generated positive feedback from the U.S. Embassy, USAID, donor organizations and local partners, in recognition of the program's successes to date at helping to mitigate conflict and improve government services to people in the aftermath of the April and June events of last year. The review also identified potential areas for improvement, as detailed in the final report.

The PPR team shared its initial feedback and recommendations with the entire staff on May 20. Overall, the feedback was positive and demonstrated that the OTI program was relevant within the current context leading up to the Presidential elections scheduled for October 2011.

Throughout the past 12 months, OTI paid significant attention to staff capacity building and enlisted the support of a number of short-term consultants to assist with training, mentoring and developing tools. On October 13-15, 2010, OTI conducted the first staff orientation training in Bishkek, giving both the Bishkek and Osh teams an opportunity to meet and discuss administrative and programmatic issues. The first Strategy Review Session (SRS), with USAID, OTI, IRG and KRTI staff was held on October 25-28, 2010. The objectives of the SRS were to:

- Create a shared understanding of the program's mission and strategy for the next 3-6 months;
- Identify and discussing key challenges facing the program; and
- Foster the development of a cohesive team.

The SRS also provided an opportunity for the team to acquire a better understanding of OTI's working principles, discuss lessons learned from completed activities, and analyze critical events and windows of opportunity.

In the past 12 months, OTI also conducted a second Rolling Assessment (the first was held in the summer of 2010). The second assessment included both the Bishkek and Osh program teams and was conducted in two parts: On January 26-28, 2011 in Bishkek, the staff examined emerging sources of instability in the period since the October 2010 SRS; then on February 16- 17 in Osh, OTI further reviewed the assumptions developed earlier in Bishkek. The follow-on exercise was designed to develop clusters from problem hypotheses, and to identify additional outputs and impact indicators for clusters. OTI presented a draft M&E plan that would help bridge the gap between the activity and program levels (output vs. impact) and operationalize OTI's learning culture to the activity level. Evaluation site visits to several projects allowed testing of the activity evaluation form. These evaluations were later incorporated into the database to test the validity of the template and the M&E systems being put in place for the project.

On June 28-30, 2011, OTI conducted a second SRS at Issyk-Kol Lake. The SRS objectives were the following:

- Further increase KRTI's team cohesion;

- Enhance team members' input into the analysis that informs the program;
- Contribute to clear guidance for future activity development (*How do we prioritize?*);
- Define a concrete and specific “road-map” for the next six months (*What are we going to do?*); and
- Clarify M&E approach further.

In addition to discussing critical events, target actors and areas, lessons learned from past and ongoing programs, the SRS suggested looking at emerging issues through the perspective of OTI's “manageable interest”, i.e. to analyze feasible activities given the OTI mandate, resources and time constraints. The team was also presented with a list of the Top-Ten Guiding Questions to Consider for Future Grant Development. Given limited time and funding, the “manageable interest” and guiding questions are to help filter and design future programming by building on successful past activities; going “deeper, not wider”.

SOCIAL MEDIA

A critical direction that OTI has pursued in the last several months is to support media initiatives that increase access to reliable information and expand community dialogue. Building on a previous partnership with Mobile Accord, OTI is introducing a modern mobile social networking platform in Kyrgyzstan. This mechanism will allow citizens and government entities to share information and discussion by means of mobile messaging, helping to reduce tensions and mitigate against the spread of rumors and false misinformation. The Mobile Accord assessment team (**grants: BIS116, BIS130; total value \$42,626**) conducted interviews with a wide variety of actors in the commercial, regulatory, government and NGO communities regarding the potential use of SMS and internet-based communications to create social networks. The Mobile Accord programming ramped up in the summer of 2011 following the arrival of a consultant and a designated PDO who specifically worked with OTI on strategies to deploy mobile technologies in the Kyrgyz Republic (**DDGS: BIS137; total value \$929,758**). Through a series of meetings with OTI's current partners and grantees in Bishkek and Osh, OTI also integrated the Mobile Accord platform to **activity BIS150** with Door Media to improve their editorial management process by creating a phone group.

7. PROBLEMS ENCOUNTERED AND REMEDIAL ACTIONS

Over the last year, OTI implemented more than 157 activities in the Kyrgyz Republic. These activities aimed to mitigate conflict in vulnerable communities and improve governance at the national and local levels. The program faced a number of implementation challenges along the way. This section outlines some of the key challenges and the measures taken to help address them.

CASH-FOR-WORK ACTIVITIES

KRTI staff are sensitive to the ever-evolving political situation while ensuring that program activities are ethnically inclusive and politically neutral. Cash-for-work provided an opportunity during the first year of the program to rebuild trust between multi-ethnic communities, support family incomes through temporary employment and engage vulnerable populations in constructive activities. However, cash-for-work also presented administrative challenges. Based upon lessons learned under BIS118 and other activities, OTI decided to outsource cash-for-work components to local companies, thereby maximizing the effective use of staff time.

Prior to and during the Peer Performance Review, OTI conducted a more thorough analysis of whether this component was likely to add value in future programming. The analysis showed that cash-for-work added more value in Osh, and that local companies in Osh were willing to perform administrative tasks associated with recruiting workers and processing their payment. In Bishkek, OTI's banking service provider KICB refused to administer payments for cash-for-workers following experiences with two grant activities. Public solicitation also showed that there was little interest in the local market to administer this component on a large scale. Therefore, as recommended by the PPR team, OTI will use the cash-for-work mechanism sparingly and will outsource it to local partners when it is used.

LINES OF COMMUNICATION AND REPORTING

During the start-up phase, project management sketched out matrices for lines of communication and reporting to minimize confusion among staff. In August-September 2010, an organizational chart was introduced to staff, illustrating the proper lines of reporting and communication among the project's various departments. Unfortunately, communication was found to be a persistent source of confusion and uncertainty at the SRS in October 2010. The management team subsequently worked with the project staff in Bishkek and Osh to address some of those misunderstandings and further clarify lines of reporting and communication. A communications protocol was drafted and shared with the broader team to help improve communication channels. Additionally, IRG drafted a

roles and responsibility matrix designed to clearly articulate individuals for both the local staff and OTI.

Another challenge at the start of the program was to streamline communication between the project's procurement department and grantees to ensure transparency of tender processes and to protect procurement processes from attempted influence by grantees. The team created a Grants Management unit in November 2010, which helped improve the grant implementation processes by making the Grant Managers the primary contacts for grantees. This has allowed the Grants Managers to focus on all implementation issues with grantees, while the Procurement Unit solely concentrated on working with vendors in accordance with processes and regulations set forth.

STAFF TURNOVER

Since the start of the OTI program in May 2010, the project has seen a significant rate of staff turnover. IRG and OTI have collaborated to assess the performance of individual staff members and make the corresponding staffing moves, as needed. In some cases, individuals have been replaced when their performance did not align with expectations. With the exception of minor adjustments here and there, the OTI offices in Osh and Bishkek are now fully staffed, clearing the way for further successful activity implementation.

WORKFLOW MANAGEMENT

Throughout the past 12 months, improvements to workflow management included the revision of meeting schedules and meeting structure in order to maximize staff time and effort. The initial daily staff meetings in the first several months were changed to weekly, and then biweekly, as the program moved forward. Intradepartmental meetings were introduced to allow for internal discussion of ongoing issues and lessons, and program meetings evolved so that concept and implementation meetings were merged and split between Osh and Bishkek offices. OTI and IRG senior management met on a weekly basis to touch on big-picture, ongoing, and emerging issues, and project management staff meetings allowed internal news and issues to be addressed as they arose. This open and flexible approach to meetings management was used to streamline the workflow and communication to the benefit of all phases of the program.

8. NEXT STEPS

Recommended priorities for FY 2012 (October 1, 2011 – September 30, 2012) include the following:

- Conduct a Rolling Assessment with Osh and Bishkek program teams in early October 2011 and develop activities in accordance with OTI's strategy in the Kyrgyz Republic;
- Continue to support community and government initiatives to mitigate conflict and improve governance, with a focus on the window of opportunity before, during and after the Presidential Elections scheduled to take place in the fall of 2011;
- Continue collaborating and leveraging resources with local and international organizations and identify gaps that OTI can fill with regard to the Presidential Elections;
- Continue to utilize social media platforms to maximize program impact; and
- Communicate an effective strategy with regard to program implementation and close out.

9. ADMINISTRATIVE UPDATE

At the beginning of FY2012, the program is taking stock of progress made over the past 17 months and ensuring that operational functions and processes will maximize impact over the remaining months of the program. With that purpose in mind, there are a number of changes that operational and administrative staff are working on to ensure successful activity implementation. In particular, these changes included moving to monthly staff meetings, rather than weekly and bi-weekly, and reintroducing the so-called Troika implementation meetings with the program and procurement teams to improve communication and information flow. In late July 2011, the SMT also introduced several changes with regard to management restructuring to empower the Osh-based and Bishkek-based Regional Program Managers and the Procurement & Logistics Manager in their respective roles while moving the COP and the DCOP away from dealing with day-to-day implementation issues. In August, some restructuring of the project team allowed for maximizing staff efforts and available resources.

STAFF RECRUITMENT AND RETENTION

In order to respond to changing program needs and priorities, there were a number of staff changes over the course of the summer and early fall:

- Muhaio Parpieva (in Bishkek) joined the team as a PDO for Mobile Technology Programming on July 21, 2011;
- Anara Jeenbekova (in Bishkek) came on board as an Information Assistant on July 19, 2011 but resigned due to health issues on September 16, 2011;
- Nople Aiden Park (in Bishkek) was hired as a Field Program Specialist;
- Begaiym Tolongutova (in Bishkek) was transferred from her former role as an Administrative Intern to become an Administrative Assistant, replacing Aisulu Tynalieva, who was promoted to the Program Assistant position;
- Damira Isakova (in Bishkek) was transferred from her former role as a Procurement Assistant to become a Grants Manager focused on Mobile Technology Programming;
- Gulasel Nogoibaeva (in Bishkek) was transferred from her former role as a PDO to become a Grants Manager; and
- Arzuu Sheranova (in Osh) was transferred from her former role as an Administrative Assistant/Translator to become a PDO, filling in for Eleonora Mamatova during her maternity leave.

One of the critical issues for discussion as close out planning begins will be retention and placement assistance for staff.

SHORT TERM TECHNICAL ASSISTANCE

Throughout the past 12 months of the program, OTI was able to leverage the expertise of several seasoned short-term technical assistance consultants, including Laurie Pierce, Bavani

Shanmuganathan, Ines Krauth and Eric Stephan. These consultants and others helped to build capacity among the local staff, train new expatriate staff in OTI and USAID best practices and regulations, and support the launch of key activities and initiatives. These and other consultants, including IRG home office staff, can be accessed to continue to shape remaining initiatives and provide programmatic and operational support during the remaining months of implementation. They can help provide coverage while expatriate staff are on leave and eventually during the closeout phase.

INVENTORY

Project staff initiated regular inventory reviews to ensure that all items procured for operational support purposes are accounted for and in good condition. This inventory will be a key piece of information as staff begin to prepare for closeout planning.

QUALITY CONTROL AND MONITORING ON REHABILITATION WORKS

In order to ensure that rehabilitation and other technical works procured through program activities are high-quality, OTI has drawn on additional engineering support expertise through a short-term arrangement with Sheladia Associates, a firm with extensive experience in USAID-funded rehabilitation and infrastructure projects throughout the world, and through short-term assistance provided by a locally-based Third Country National (TCN), Alnoor Hirani. With their expert support, procurement staff have been closely evaluating rehabilitation works to confirm that work is done well by local vendors and that necessary changes have been made when and if issues are discovered during final inspection. These technical experts have also provided training to procurement staff to help spot 'red flags' during site visits while rehabilitation works are underway to correct any potential problems before works are completed by the vendor.

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